

**MINUTES**  
*IDAHO STATE BOARD OF ACCOUNTANCY*  
Boise, Idaho  
December 9, 1999  
**REGULAR SESSION**

The Regular Session of the Idaho State Board of Accountancy was called to order at 8:15 AM with Chair Leonard R. Hodge presiding. The Board adjourned to Executive Session at 8:35 AM. The Executive Session concluded at 9:55 AM. After a brief break, the Regular Session was reconvened at 10:10 AM. The Regular Session included a luncheon meeting with representatives of the Idaho Society of CPAs and IAPA. The Regular Session adjourned at 5:45 PM.

**ROLL CALL:** The following members of the Board were present:  
Leonard Hodge, CPA  
Sam Cotterell, CPA  
Larry Stewart, LPA  
Tom Jones, CPA  
Kitty Pumphrey, CPA  
Larry Bird, CPA  
Don Etter, Public Member  
Barbara Porter, Executive Director; and Steve Drake, Attorney were present.  
Jerry Berggren, CPA and Steve Swanson, CPA were present as guests.

**1. CONVENE REGULAR SESSION:**

*(A) Approve Minutes:* Mr. Etter motioned to approve the minutes of the September 24, 1999 Regular Session. Mr. Stewart seconded the motion. Motion carried. Mr. Hodge brought the Board's attention to three items from the September Board meeting. The first was in regards to Mr. Jones inquiry about disclosure of exam materials by AICPA. Mr. Jones received information during the NASBA Annual meeting, and he subsequently asked Ms. Porter not to write to the AICPA. The second was in regards to the concept of a subcommittee to review experience requirements. The Board decided to focus the efforts on experience during the UAA process. The third was in regards to purchase of new computer hardware and software. The director's report summarized the cost and status to date.

**2. EXECUTIVE SESSION:**

Leonard R. Hodge, Chair, citing *Idaho Code* Section 67-2345 (1)(d) & (f), called for a vote to adjourn to Executive Session for discussion of complaints and disciplinary proceedings before the Board. All members of the Board present voted as follows: Sam Cotterell, CPA, yes; Tom Jones, CPA, yes; Larry Stewart, LPA, yes; Kitty Pumphrey, CPA, yes; Larry Bird, CPA, yes; Don Etter, yes; and Leonard Hodge, CPA, yes.

The Board addressed the items from the December 9, 1999 Executive Session.

*(A) Approve Minutes:* Mr. Jones motioned to approve the minutes of the September 24, 1999 Executive Session. Mr. Cotterell seconded the motion. Motion carried.

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*(B) Status Reports/ Review Complaints:* Mr. Cotterell motioned to close the following dockets: Docket #00-01, Docket #00-04, Docket #00-06, Docket #00-09. Mr. Jones seconded the motion. Motion carried. The Board directed Ms. Porter to make another attempt to have wall certificates returned in Docket #99-05 and Docket #00-03. Mr. Cotterell motioned to have staff draft a Final Order for the Chair's signature, placing the CPA license into voluntary Inactive Status for Docket #00-10. Mr. Jones seconded the motion. Motion carried. Mr. Cotterell motioned to close Docket # 99-06, with the understanding that the record would be expunged at the licensee's request with verification of compliance with the Court ordered probation. Mr. Etter seconded the motion. Motion carried.

**3. DISCIPLINARY PROCESS:**

Mr. Jones motioned to hold the review and approval of the updated procedures until the April 2000 Board meeting. Mr. Bird seconded the motion. Motion carried.

**4. APPLICANTS FOR LICENSURE:**

*(A) Review Applicants:* Mr. Bird motioned to approve the following applicants for licensure. Mr. Etter seconded the motion. Motion carried.

Exam	CP-3775	10/07/99	Keppler, Mary Louise	R-OR	CP-3789	1/01/00	Bennett, Karen J.
TG-WA	CP-3776	10/07/99	Gering, Noelle Lynae	Exam	CP-3790	1/01/00	Ogden, Suzanne Lee
Exam	CP-3777	10/20/99	McKittrick, Karen L.	R-CA	CP-3791	1/01/00	Rall, Douglas Victor
Exam	CP-3778	10/20/99	Rahman, Tanwir H.	Exam	CP-3792	11/29/99	Gregersen, Ryan W.
Exam	CP-3779	10/20/99	Stampfli, Pamela Marie	Exam	CP-3793	11/29/99	Hazen, Tobin M.
R-WA	CP-3780	10/21/99	Corwin, Zoe A.	Exam	CP-3794	11/29/99	Alambra, Kevin N.
TG-UT	CP-3781	10/21/99	Bingham, Trent D.	R-OR	CP-3795	12/01/99	Hall, Michael Arnold
R-UT	CP-3782	10/21/99	Drennan, David James	Exam	CP-3796	12/01/99	Rolfe, Pamela K.
Exam	CP-3783	11/10/99	Schranck, Christine A.	Exam	CP-3797	12/01/99	Owen, Sherrie Shults
Exam	CP-3784	11/10/99	Saunders, Shane	R-CA	CP-3798	1/01/00	McPherson, Christy Ann
Exam	CP-3785	11/10/99	Chandler, Joyce	R-CO	CP-3799	1/01/00	Siegel, Julie McQuiggan
R-UT	CP-3786	11/10/99	Bennion, Jeanette Y.	R-TX	CP-3800	1/01/00	Walker, Deborah
R-MT	CP-3787	11/12/99	Gearheart, Penny Antonette	Exam	CP-3801	12/09/99	Wagner, Audra
R-OR	CP-3788	11/12/99	Ricks, Kevin L.	R-IN	CP-3802	12/09/99	Pafundi, Tobey

**5. UNIFORM ACCOUNTANCY ACT:**

*(A) Task Force & Legislative Conference:* Mr. Cotterell reported on the AICPA/NASBA Legislative Conference held in November 1999. The conference addressed: updates to the Uniform Accountancy Act, contained in the UAA Third Version Revised November 1999; competency-based Continuing Professional Education; regulation of alternative practice structures; 150 Hour requirement as a basis of licensure and not examination; and options in the substantial equivalency notification process. During the luncheon, Mr. Swanson and Mr. Cotterell apprised the group on Task Force activities. The Task Force was created by the Idaho Society of CPAs (ISCPA) and they requested the Idaho State Board of Accountancy (ISBA) appoint members to participate. The Task Force concluded that ISCPA draft and sponsor the statutory changes with input from ISBA. ISBA would draft rules and

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initiate the rule making process with input from ISCPA and all interested parties. The Task Force concluded that drafting of the statutes must be completed by April 2000 in order to present the proposal at the 2001 Legislative Session. Rule drafting needs to be done on an accompanying time line. Mr. Cotterell iterated ISBA's need to protect the public and get input from interested parties while participating in drafting and promulgation of UAA changes. ISCPA members voiced their Board's support for the UAA in its current form, and their desire to work with ISBA to get a proposal that both organizations can support. IAPA wishes to see their membership able to practice in Idaho without unnecessary regulation. Compilation is one area that they want to see increased flexibility. The other components of the UAA are acceptable to IAPA, and the organization sees the UAA as a step in the right direction. IAPA would like to participate with ISBA in the process. Mr. Cotterell indicated that he would like to see ISBA representatives meet with IAPA's Board.

*(B) Key UAA Components:* The Board discussed specific provisions of the UAA, such as Substantial Equivalency, the "Three E's of Education, Examination, and Experience, Interstate Reciprocity, One-Tier License, CPE, Safe Harbor Language, Non-CPA Ownership, and Compensation. The Board contrasted Idaho's current requirements to the new proposals in UAA. Mr. Cotterell pointed out the a Fundamental Principle of the UAA is "Regulation of the profession and protection of the public."

*(C) Implementation of UAA:* In its discussion of how to move forward, the Board endorsed the Task Force's recommendation to have ISCPA take the lead on drafting the statute and ISBA the rules. The Chair suggested that Board members put individual perceptions about the UAA provisions in writing and submit them by December 31, 1999. Mr. Cotterell made a motion that the Board conceptually supports the UAA Third Version Revised November 1999, subject to further review and discussion of specific revisions. Mr. Etter seconded the motion. Motion carried.

Mr. Bird made a motion to form a ISBA UAA Committee to have responsibility: 1) To facilitate further review of provisions of the UAA by the Board, 2) To coordinate the input from interested parties, 3) To interface with ISCPA in drafting the statutes, and 4) To initially draft the rules for Board review and approval. Ms. Pumphrey seconded the motion. Motion carried.

Ms. Pumphrey made a motion that the Chair appoint the UAA Committee, soliciting Board members who are interested in participating. Mr. Stewart seconded the motion. Motion carried. Mr. Hodge appointed Ms. Pumphrey, Mr. Cotterell, and Mr. Etter to serve on the UAA Committee. Ms. Porter and Mr. Drake were appointed as Ex Officio members.

Mr. Cotterell made a motion that the UAA Committee develop a budget, make expenditures against the budget, and report to the Board. Mr. Etter seconded the motion. Motion carried.

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**6. EXAMINATION:**

*(A) Special Considerations:* Mr. Etter motioned to approve the late transfer of fees forward from November 1999 to May 2000 of Dawn Bingham, Erika Nugent and Krista Sievers. He also recommended transferring Maria Mendiola's fees forward, if she provided the additional information that was previously requested by the Board staff. Mr. Stewart seconded the motion. Motion carried. The Board was apprised of a possible disclosure issue with a candidate at the Pocatello exam site. Ms. Pumphrey overheard the candidate talking on the phone during the lunch break on the second day of the exam. The candidate was referring to a question from the first day of the exam. The person was a Wyoming candidate being proctored in Idaho. The incident has been reported to the Wyoming Board of Accountancy.

*(B) Educational Equivalencies:* Mr. Bird made a motion to have the UAA Committee investigate what the higher standards should be for the GMAT and ATAG educational equivalencies once the 150 Hour requirement goes into effect. The temporary rule making process should be initiated to have the changes in effect July 1, 2000. Additionally, the UAA Committee should address the issue of whether or not to maintain educational equivalencies as part of adoption of the Uniform Accountancy Act. Mr. Jones seconded the motion. Motion carried.

**7. QUALITY REVIEW AND PRACTICE UNIT REGISTRATION:**

*(A) QROC Activities:* Mr. Hodge informed the Board of QROC's activities to ensure that Idaho's approved Administering Organizations are operating in accordance with AICPA Minimum Standards for Peer Review. AICPA provided QROC with written confirmation of when the oversight visits had been done, and that the programs complied with standards. The most recent oversight visits should be finalized in January 2000, at which time AICPA will be expected to submitted a revised approval letter. The Chair of QROC, Lou Henry, attended NSA's most recent session of Peer Reviews on December 6, 1999. Mr. Henry concluded that NSA's program is being done in accordance to AICPA standards. His oversight findings will be combined into a report being done by NASBA regarding NSA's program. Mr. Jones made a motion to accept all of the Administering Organizations that QROC had recommended for approval in 1999. Mr. Stewart seconded the motion. Motion carried.

*(B) 1999 PU Registration and QR Compliance Information:* Ms. Porter reported to the Board that compliance is high for Practice Unit Registration reporting and for Quality Review. Two licensees have not submitted their registration form. Two Practice Units have not enrolled with an Administering Organization. Twenty-eight Practice Units have not submitted their approval letter. Of the twenty-eight, twenty were scheduled to have their Peer Reviews in the last six month. Penalties for failure to comply are in effect this year. A \$100 penalty for each act of non-compliance will be assessed, and CPA or LPA licenses will not be renewed until they are in compliance.

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Mr. Jones voiced concerns over Practice Units that repeatedly receive adverse or qualified reviews. The Board's authority does not extend to sanctioning firms when the Peer Review process detects substandard work. The Board directed Mr. Jones to speak with the Idaho Society of CPAs about the situation. The Board would like to find a solution to dealing with firms that have on-going difficulties.

*(C) Consideration of Maryland Society as an Administering Organization:* The Board approved Maryland as an Idaho Administering Organization when they acted upon item 7.A.

*(D) Appointment to QROC to Fill Existing Vacancy:* Mr. Bird made a motion to appoint Fred Christensen, CPA to QROC. Mr. Etter seconded the motion. Motion carried. Mr. Christensen will serve a three year term, replacing Roland Smith who resigned from QROC earlier this year.

**8. TREASURER'S REPORT:**

The Board reviewed the Treasurer's report for October 1999. Mr. Bird motioned to accept the report. Mr. Jones seconded the motion. Motion carried.

**9. DIRECTOR'S REPORT:**

*(A) License Management System Replacement:* Ms. Porter updated the Board on the status of the computer hardware and software purchases. The Board authorized Capitol Outlay costs of \$13,500. The actual costs were \$13,013.70. The software has been installed on the new server and the data has been converted. Staff is doing double entry into the old and new systems through the initial conversion period.

*(B) NASBA Quarterly Focus Questions:* The Board reviewed a proposed response to NASBA's quarterly survey. No changes or additions were recommended.

*(C) Director's Activities for October-December 1999:* Ms. Porter supplied the Board with her activities for the above mentioned months. No action was required.

*(D) NASBA Nominating Committee:* NASBA requested each jurisdiction forward one name for consideration by the respective region as representative to the Nominating Committee. Mr. Jones motioned to forward the name of Ms. Kitty Pumphrey as Idaho's nomination. Mr. Stewart seconded the motion. Motion carried.

**10. NEXT BOARD MEETING DATE:** The next Board meeting is scheduled to be held Wednesday, April 19, 2000 at the Boise Board office.

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There being no further business before the Board, the Regular Session adjourned at 5:45 PM.

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Leonard Hodge, CPA, Chair

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Samuel Cotterell, CPA, Vice-Chair

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J. Thomas Jones, CPA, Secretary